



PDI Army Day

May 27, 2009



Agenda

- Today's Dynamic Environment
- Army Enterprise Management
- FM Enabling Systems
- FM Career Field
- Closing Thoughts



Our Dynamic Environment

- **Economic Pressures**

- Financial crisis
- Housing crisis
- Unemployment
- Recession

- **New Administration**

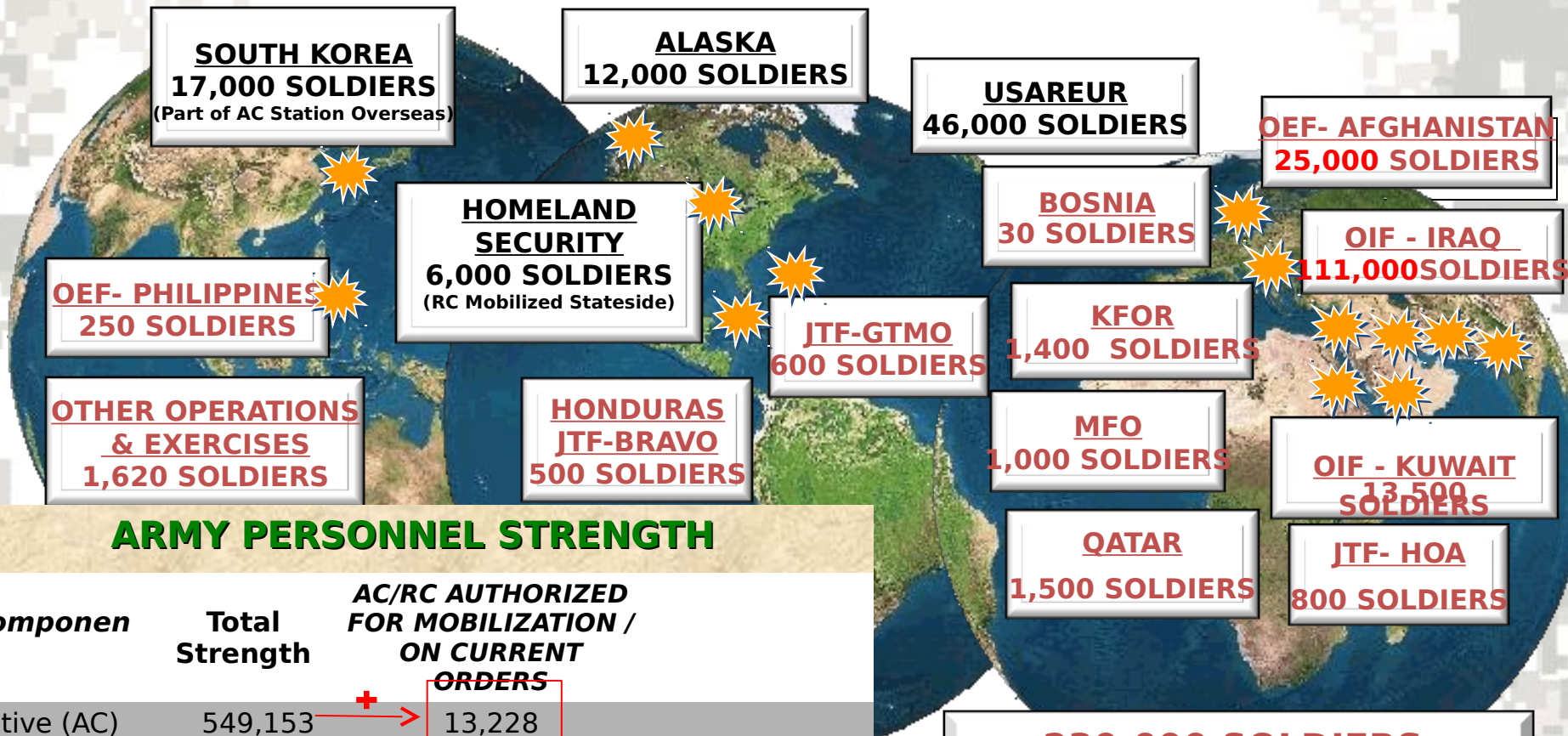
- Change in strategic direction for the Nation
- Change in strategic direction of wars
- Political leadership in transition

- **New Direction to Army**

- Restructured modernization plans
- In-sourcing
- BRAC
- BCT formations
- Institutional adaptation



Army Global Commitments



ARMY PERSONNEL STRENGTH

Component	Total Strength	AC/RC AUTHORIZED FOR MOBILIZATION / ON CURRENT ORDERS	
Active (AC)	549,153	13,228	= 710,825
Reserve (RC)			
USAR	197,649	42,430	
ARNG	361,551	104,791	
		256,870	Civilians
		205,000	Contractors

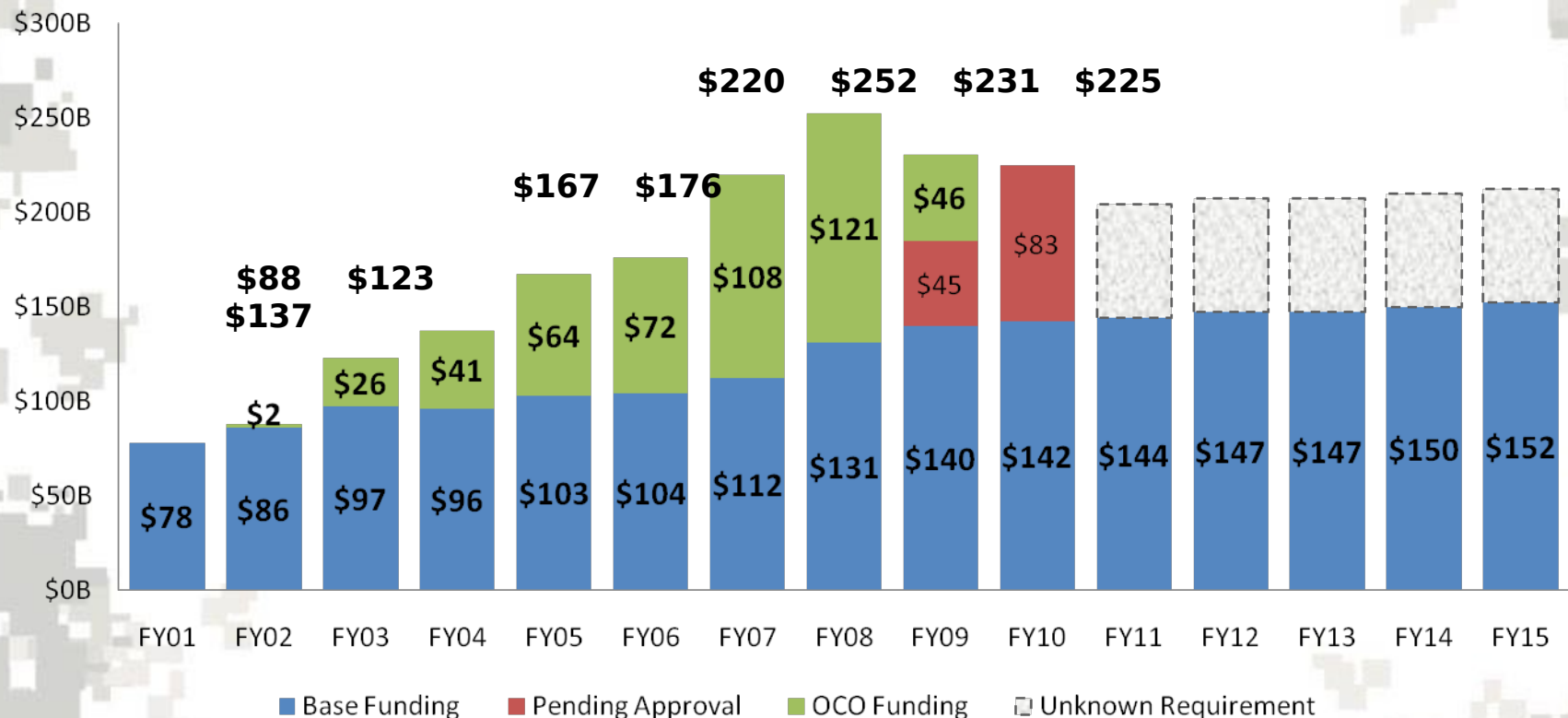
230,000 SOLDIERS DEPLOYED/“FORWARD STATIONED” IN NEARLY 80 COUNTRIES OVERSEAS
*INCLUDES AC STATIONED OVERSEAS



Funding Snapshot – Base and Supplemental

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OCOF Modularity **GTA Surge**





FY10 Budget

Funding Army Imperatives

SUSTAIN

Momentum maintained, but growth capped at 547.4K / 205K / 358.2K

Family and Wounded, Ill & Injured (WII) programs are fully funded

PREPARE

Given Overseas Contingency Operation (OCO) funding, Army will meet requirements of current demand

RESET

OCO funding sustains effort; concern is future base budget pressures from non-program of record equipment (primarily MRAP & COMMS), drawdown in Iraq, and uncertainty of supplemental-to-base strategy

TRANSFORM

Redirection of modernization; revised plans will impact near-term requirements (stationing facilities acquisition programs)



PBR 11-15 Guidelines & Objectives

- Develop concept for Army of 21st century
- Engage and understand COCOM requirements to better address needs
- Address all statutory, legislative, programmatic and budgetary requirements
- Adjust programs to reflect PB10 force structure changes and internal Army decisions
- Integrate Core Enterprises into the planning and programming process
- Fully fund military personnel
- Minimize FY11 year-of-execution bills
- Complete all MILCON program adjustments within current FY funding levels
- Reform procurement and modernization programs; integrate new Army Modernization & Equipping Strategy
- Be prepared to integrate QDR decisions

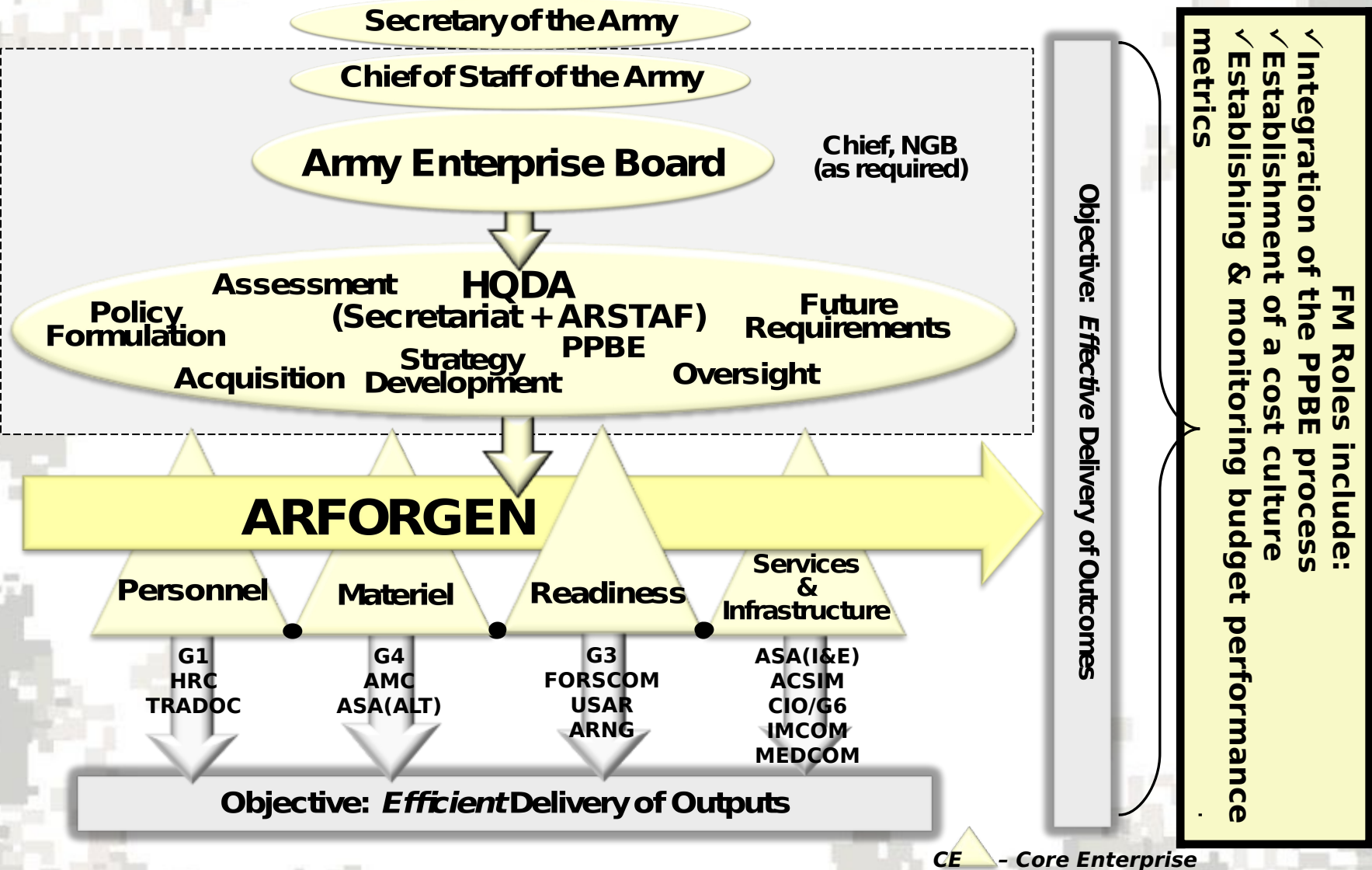


The Quadrennial Defense Review (QDR)

- **Objective:** Provide a strategic direction that supports the National Defense Strategy (NDS) -- looks out 20 years
- **Possible Outcome:** Develop a force-sizing construct and long-term Defense strategy
- **Army Success** in the QDR = Ground force sized, trained and equipped to support the NDS
- **Five issues that the QDR will examine:**
 - Irregular Warfare & Civil Support Abroad
 - High-End Asymmetric Threats
 - Civil Support in the Homeland
 - Global Posture
 - Business Practices and Cost Drivers (includes in-sourcing)
- **Timeline:** Major programmatic issues to be completed by 1 August and remaining policy questions to be included in the written QDR report due to Congress prior to President's Budget submission (Feb 2010)



Enterprise Management



Improve ARFORGEN	Adopt an Enterprise Approach	Reform Requirements & Resource Processes
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Instilling a Cost Culture

- A cost culture
 - Connects costs and operational output/performance data
 - Provides economic reality for business and operational situations
 - Provides analysis of current output/performance and cost, enabling immediate action; and annualized output/performance and cost that informs leadership decision making
- Institutionalizing a cost culture requires change to three major business components of Army resource management:
 - personnel & career development
 - processes
 - systems & technology



Enabling Systems

- DIMHRS
 - Change in Development Strategy
 - 16 Jan 09 Deputy Secretary of Defense memorandum
 - BTA completes “core” system (Aug 09)
 - Services build-out from BTA-developed “core” system
 - Personnel Community taking responsibility for Human Resources, including pay
- GFEBS
 - Enterprise Resource Planning (ERP) system that will subsume more than 80 legacy systems
 - Single system allowing the Army to fully assess performance and cost; effective decision support tool
 - First fielding successfully deployed



BC 36 & CP 11



- Successful BC36 Merger
- Force Design Update –Key (CSL) Billets
 - Corps / Division G8s currently in staffing
 - Special Troops Battalion Command & Key Staff Coded 36/42
- Size of CP 11 career field will remain fairly stable with potential for limited growth as cost culture and enterprise management develops
- Technological changes, together with the enterprise approach will surely impact CP 11
- Be prepared and seize opportunities afforded our community



Closing Thoughts

- FM support must adapt as Army changes
- FM challenges will grow as funding declines
- As challenges grow, so will opportunities for the FM community
- Commanders will lean on your expertise to acquire funds, understand costs and enable the mission

Your role in FM is more important now than ever